

Calibrated Indifference: Understanding the Structure of Informal Labour in India ¹

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Introduction

The phenomenon of informality in labour relations is now an accepted fact of economic life in India. Between 7 and 8 percent of India's total labour force of 390 million persons (inclusive of families and agrarian workers) work in the so-called organised sector, in registered firms, on regular salaries. This leaves some 350 million people in the unorganised, or informal sector, that allows (fifty-five years after Independence) for a work process that remains unmonitored, unregulated, casualised and without access to any official security systems whatsoever. Most registered firms also employ a certain percentage of casual labourers, thus ensuring a symbiotic link between two kinds of labour-process.² There exists a large body of data about this, indicating considerable research (both official and non-governmental), but insufficient attention has been paid to analysing endemic informality as a systemic structure. What determines its persistence? Is it sufficient to define it in terms of casual, unregulated, seasonal, unregistered, underage or mediated employment, or are there other aspects that need to be taken into consideration? What are the connections between these features, and its functional dynamic? Higher standards of living for these 350 million people would create massive demand and transform the economy. Why is this not happening?

Iniquitous work regimes are held together by what is euphemistically known as extra-economic coercion. One aspect of the relations governing informality that should enter a rigorous definition, is the prevalence of corporal punishment and intimidation as the mode of control at the work place. The state's regulation of the recruitment and working conditions of casual and contractors' labour is non-existent, laws on minimum wages rates in agrarian labour are rarely enforced, and maternity leave, health and accident insurance, are unknown, (despite being present in the recommendations of say, the

National Commission on Rural Labour of 1991). Official under-regulation implies that other, 'conventional' modes of recruitment and regulation involving caste, kinship and gender operate in their place. What are these, how do they operate and what purpose do they serve in the larger order of things? This paper will explore of these issues.

Social Capital or Social Darwinism?

The recent emergence of the concept of 'social capital' has set a trend in development and mainstream economics. It has been criticised for being a form of "analysis suspended somewhere between grand systemic theory and mere description... a bag of analytical potatoes".³ Its (current) usage indicates a recognition by economists that human beings are not mere utility maximisers, and that (though they may not say this), the species *homo oeconomicus* is a figment of the bourgeois imagination. The relevance of this debate to our concerns arises out of the complex and "culture-specific" nature of colonial capitalism. (Every kind of capitalism is culture specific, but we shall leave that matter aside for the time being). The problem may be posed as follows: The history of modern imperialism and its interaction with subjugated peoples generated a range of conceptual issues. Their focus has been to understand socio-economic relationships which bore the marks of pre-capitalist social systems, but were nevertheless integrated into global commerce. The question was made more complex by the historical stamina of these novel production relations. Attempts at formulating concepts adequate for comprehending such societies have produced theories of dependency, underdevelopment, imperialism as the pioneer of capitalism, semi-colonialism, and of a colonial mode of production.

Is a fresh approach towards this issue possible? One point of departure is contained in Lipietz's binary concept of the *regime of accumulation and the mode of regulation*.⁴ He defines the *regime of accumulation* as the stabilisation... of the allocation of the net product between consumption and accumulation", a process which implies some form of linkage between capitalism and other modes of production". The *mode of regulation* is the 'materialization' of such regimes, "taking the form of norms, habits, laws, regulating networks... that ensure... the approximate consistency of individual behaviours with the schema of reproduction". It is conceived of as a "body of

interiorized rules and social processes". How is this concept relevant to our theme? A close examination of colonial capitalism reveals evolving production relations, the establishment of new regimes that placed modern colonialism unambiguously within the capitalist system, albeit in a subordinate position. After all, "capital is a specific historical type and articulation of command structure".⁵ These included novel forms of capital (such as managing agencies), adjustments with landed property, (such as the hybridised form of landlordism generated by the Permanent Settlement in Bengal), in addition to mediated (and ethnographically marked) methods of recruitment and management for labour-intensive work-processes. Kinship, ethnic identity and perceived 'essential' attributes were part and parcel of colonial labour management. As Kaushik Ghosh remarks, "the politics of labour embraces both ethnicity and class".⁶ These hybridised economic categories and forms of domination constituted the specific 'mode of regulation' which crystallised under colonialism and enabled its prolongation.

The term *capital* means different things for Marxist theory and for mainstream economics. The recent advent of *social capital* into the conceptual domain is an ideological attempt to instrumentalise social and cultural forms within the discourse of 'development' and harness them to the tasks of accumulation. This is done by inserting 'social capital' into the factorial theory of production. Thus, human trust, social networks and cultural forms become another 'factor' akin to the famous triad - Land, Labour and Capital - standard introductory fare for economics undergraduates the world over. Commenting on this factorial theory, Karl Marx had this to say: they (the three 'factors') have "as much in common with one another as lawyers fees, red beets and music". Thanks to the hegemony of bourgeois economics, we now have an additional 'factor of production', viz., *social capital*, which is as much of an unhistorical and forced abstraction as the first three. The solution of the problem posed by hybridity and culture as aspects of production processes, does not lie in dismissing them as epiphenomena. Rather, labour history needs to integrate these facts into a coherent explanation that can account for the co-existence and integration of apparently contradictory elements in a functional system. Understanding informality in labour relations is crucial for a theory of modern Indian capitalism.

Marx did not ignore these issues. In the first volume of *Das Capital*, he suggested that social needs, and the manner of their satisfaction depended upon the 'level of civilisation' of a country, and the 'habits and expectations' of its free labourers. He further stated that "in contrast... with the case of other commodities, the determination of the value of labour-power contains a historical and moral element"⁷. This *historical and moral element* also engendered specific types of enterprise, technique and production relations. And by entering into the determination of the value of labour-power, it entered the circulation process of capital as a whole. How did the institutional and cultural forms of pre-capitalist society influence the forms of capital?

Once we try and make sense of the contradictory appearances of Indian capitalism, (including its claim to regulate production relations that in fact, it leaves to convention), we may begin to understand the crucial role of informality in the Indian system. Culture, habits and norms have always been instrumentalised by capitalism. This was the case with colonialism and remains true today. However, this appropriation has not always been benign - rather, it has served as a lever of oppression. If I were to use the term 'social capital' at all, (by keeping in mind what it refers to, rather than its ideological function), I would say that what keeps Indian capitalism intact is a *negative* social capital, one that uses social stigma, a hierarchical sensibility, the constant threat of violence, and oppressive customs to keep labour costs abysmally low, avoid the construction of social security systems, and undermine the social-democratic potential of modern state institutions. What we have in place of a benevolent 'social capital' is a reified Social Darwinism.

What is even more significant from our chronological vantage point is the stamina that these relationships acquired over time, persisting, in certain cases, well into the period after Independence. The debate about the relative institutional continuity and discontinuity that 1947 signifies, takes on a fresh aspect when systems of labour regulation are brought into the argument. However, Lipietz's *mode of regulation* needs to be further concretized into an explanation of the specificities of the political system. He notes that "no matter their 'private' appearance, it is political authority that designates markets, money and wage relations and thus gives legitimacy and

permanence to systems of social relations”.⁸ I suggest that systems of governance also be incorporated into this conceptual approach, and examined for patterns of regularity. Thus, why is there a stable hiatus between the Indian State’s proclamation of regulation (of working conditions and remuneration, etc), and the near-total laxity of implementation? Why is the status of citizen effectively denied to vast numbers of the working class? Why does the zone of informality drain away the rights and obligations that arise from the zone of formality? Why do the ruling institutions periodically suspend even the right of citizens to remain alive, by instigating mass murder in the guise of communal or caste riots, for whose duration the police apparatus is suspended and the judicial conscience stricken by amnesia? (It is noteworthy that these incidents take place with regularity, and their main victims are the labouring poor and self-employed artisans). If the instigation of communal and caste violence appears to have become the preferred mode of governance of the Indian ruling classes, an explanation for this fact must take into account the well-springs of authoritarianism that lie in the structure of informality.

The Functions of Casual-ness

Many kinds of labour may be clubbed together under the rubric of informality - casual labour, contract labour (shorthand for ‘contractor’s labour’); seasonal and migratory labour, child labour, unregistered labour. Many of these may overlap - thus, casual labourers, such as seasonally unemployed agrarian workers function as a pool for contractors.

There are, to my mind, five determining features of these forms, taken as a whole: -

1. *Under-regulation:* Recruitment, work and remuneration take place in the absence of formal regulation, or regulation that touches only the boundaries of the ‘grey’, conventional structures in place.
2. *Mediation and subtracted remuneration:* Employment is undertaken through layers of mediation - jobbers, recruiting agents, gang sirdars, etc., such that there exists minimal or no contact between the owner of the production unit and the workers, and it is the mediators who exercise control over payments

3. *Invisibility and seasonality:* The very existence of workers in informal arrangements may often be understated, official statistics manipulated in order to evade inspection or regulation, or excise tax, etc. Gangs of workers appear and disappear in tandem with a number of 'push' and 'pull' factors.
4. *Social, gender and age discrimination:* A large proportion of such workers belong to so-called low caste and tribal communities. Their marginality in terms of wages and working conditions is compounded by social stigma and exclusion from municipal amenities. In independent India they are subject to de-facto political disfranchisement due to their migrant status in urban areas. Women in informal employment far outnumber those in the formal sector. Child labour lies wholly within this category
5. *Intimidation:* Subjugation of the informal workforce to corporal punishment, aberrant or whimsical treatment, including the use of violence, rape and humiliation of women and children.

The persistence of informality and unstable employment in the Indian economy is taken for granted. This was so historically, and it is the case now. Indeed, it is likely that the largest single employer of casual labour is the Government of India - a proper survey of the empirical data available would establish this, and prove the point I am trying to make. The National Commission on Labour (1967) reported that in 1957, 60% of construction workers employed by the Public Works Department were contractual labourers.⁹ It commented that:

judging from the way contract labour of even some of the best firms lives and works, we consider a stricter regulation of contract work is called for where it is essential to engage such labour, the general direction of policy being its abolition altogether in due course. Where for some unavoidable reasons, it has to stay, such facilities which other regular workers enjoy should be made available to contract workers

This was incorporated in its recommendations. It is significant is that similar observations had been made two decades before, by the Labour Investigation

Committee of 1946, (LIC) which criticised the ‘haphazard’ and ‘questionable’ methods of recruitment by jobbers and contractors, the dependence of both organised and unorganised industries on intermediaries, a method of recruitment of labour “that has been always fraught with serious evils”. It located the advantages to capitalists accruing from the “large and perennial supply of unskilled labour flowing from the villages to the towns and back again” (LIC, p. 76) and the fact that “the contract system undoubtedly enables the principal employers to escape most of the provisions of the Labour Acts, especially the Factories Act, the Payment of Wages Act, the Maternity Benefit Act, etc” (LIC, p. 80). It noted that in 1931, fifteen years before its own work, “although the Royal Commission on Labour, (RCL,1931) had condemned the system of recruitment of labour through intermediaries”, and that “some little improvement has resulted... in cities like Bombay, Cawnpore, Jamshedpur”, that “the position has not materially changed”. (LIC, pp 76-77). It endorsed the Royal Commission’s and the Bihar Labour Enquiry Committee’s suggestion for “the legal abolition of the system of contract labour” (LIC, p. 81). Let us note that enquiries spanning four decades repeated the same observations and suggested the same legislation. And today, seven decades after the RCL’s report, much the same could be said about casual and contract labour in India.

I will pursue the argument through data on coal mining and railway construction in colonial India, and develop it with material relating to mining and casual labour markets in more recent times. The effort will be to test the definitions given above and to suggest explanations for the persistence of informality and casualness.

Mediated employment in mining and railway construction

During the post 1857 period of colonialism the state began closer collaboration with traditional social elites. This marked a pragmatic and less “reformist” approach to Indian society, a more modulated strategy of control. As this was also the period of the growth of a demand for labour - railways, ports, plantations, etc expanded rapidly - the new approach to governance went in tandem with the adoption of convention as a regulator of production relations. The system worked well for the managing agencies that were the dominant form of colonial capital. We may discern some of its mechanisms by a brief overview of coal mining, which was the main source of energy for

the British Empire.

The Chota Nagpur plateau (a large part of which forms the new state of Jharkhand), was the site for several extractive and metallurgical operations. India's major coalfield, Jharia, was located here. The structural features of the Calcutta-based British Managing Agencies had a distinctive impact upon the industry. Their remuneration was based on 'commissions' and they possessed interests in industries such as jute, tea, shipping and engineering, many of which profited from cheap coal.¹⁰ Managing Agencies tended to focus on immediate gain, and could transfer profits from one company to another, depending on the needs of their financial branches, which were at their core.¹¹

All-India coal production increased from an annual average of 4.7 million tons during 1896-1900, to 19.3 million tons in 1916-20, and 23.8 million tons in 1930.¹² From 1890 to 1920 the railways and metallurgical industries grew rapidly. The railways (managed by the state under the aegis of the Railway Board), consumed a third of the total output and increased their demand from under a million tons in 1893 to 7.4 million tons in 1928.¹³ In that year British-owned companies accounted for some 60% of Indian coal.¹⁴ From the outset employment patterns in the mines were affected by ethnic factors. They were worked by a seasonally fluctuating workforce, a majority of whom (upto 90%) were of low-caste and tribal origin, recruited mainly from the immediate hinterland, and which maintained strong rural links.¹⁵ During the first decades, about half the extraction took place through the *raising contractor* system, under which the entire process from recruitment to the loading of rail wagons, was leased to contractors. The contractors were often landed gentry, who would use their privileges in the hinterland to obtain contracts with the Managing Agents and for recruitment purposes. The Agents provided the mines and machinery, the contractors imported labour and paid train fares plus advances which bound workers to them until the loans were recovered.¹⁶ Their profits came from the difference between the sum paid to the Agents and their actual expenses, which they reduced by means of the low remuneration offered to their workers.

The process of recruitment was undertaken by *gang-sardars* (gang leaders), who were linked to the contractors or companies through a network which included village

headmen. The latter might be paid commissions for influencing fellow villagers to work - this was the most flexible means of controlling a proletariat dependent on a rural milieu. The miners preferred *sarkari* (ie. direct) recruitment and management which made them employees of the company rather than of contracted mediators. This shows that they were aware of the disadvantages accruing from the operations of middlemen and from their own informal status.¹⁷ These included subtractions such as bribes paid to supervisory clerks to get good workfaces, or tubs on time.

Under-regulation extended to the conduct of the work-process. In 1916, at the height of a coal boom, a debate took place on deep mines in the eastern coalfields. A representative of the mine managers rejected a suggestion that working hours needed regulation. Indian miners had their idiosyncrasies, he said, which included staying underground for 24 hours sometimes, because their homes were a long trek from the pits. The proposal to legislate fixed hours of work for miners seemed to him "to savour of slave-driving", and was "certainly reactionary". Such regulation would only have "the disastrous consequence that there would be no further increase in the output of coal"; and there would be no means of enforcing it apart from handing over "all the pit banks (to the) charge of the police".¹⁸ Here the concern for the 'freedom' of miners from regulation reflected managerial satisfaction with the kind of recruitment then prevailing. Where there was reason for dissatisfaction, as in the tea gardens of Assam, employers pushed for a penal contract system, which was put in place and refashioned from 1865 to 1882. High rates of desertions and mortality motivated them to agitate for stringent provisions on breach of contract, including extending the period of indenture and bestowing planters' with the right to arrest and imprison workers without warrants. These demands were accepted in the provisions of the Labour Districts Emigration Act I of 1882 under the liberal dispensation of Viceroy Lord Ripon.¹⁹

The fortunes of the coal industry fluctuated wildly between 1910 and 1940, and the instability that accompanied this was directly related to the social infirmity, economic destitution and casual nature of the workforce. A cursory glimpse of employment statistics shows that the size of the workforce rose from 99,000 in 1906, to 129,000 in 1908, went down to 116,000 in 1910, and rose again to 151,000 in 1914 and 203,000 in

1919. It fell to 190,000 in 1920, rose to 204,000 in 1924, then declined to reach 179,000 in 1929. After a slight recovery it went down to 163,000 in 1933, and thereafter it rose steadily through a decade and a half to reach 367,000 in 1946.²⁰ These severe fluctuations in the demand for labour reflected the chaotic structure of mining capital. They were also linked to the vested interest of the state, which in the form of the Railway Board was able to make use of chronic destitution of the casual labour pool as well as its own position of a monopolistic transporter and primary consumer in order to depress wage rates.²¹ Despite the numerous criticisms of the raising contractor system made by several commissions investigating coal mining, the Railway Board persisted in the use of this mechanism. Mediated employment continues to be the source of illegal income, the arena of unregulated labour and the scourge of a seasonally engaged workforce.

A glance at the pattern of labour mobilisation in the early phase of rail construction reinforces our argument. Ian Kerr has made an important study of this theme.²² Operational miles of rail track in India grew from 20 in 1853 to 23,627 in 1900 and 30,572 in 1910, by which time it was the fourth largest rail system in the world.²³ Some 150,000 to 450,000 workers employed on an annual basis constructed between one to three thousand miles of track every year from 1850 to 1900. This single most important infrastructural project of the Empire required a labour deployment unprecedented in size, geographical range and duration. Here too, we find novel features (that raise questions about the role of government in the age of *laissez-faire*), patterns of control involving several levels of contractorship and as many as ten categories of ownership and management. We learn about the notorious 5 % guarantees of 1849, upon which construction began - 'private enterprise at public risk' was what Daniel Thorner called it - with governmental control of the direction and length of lines. As Kerr opines, "state capitalism came early to India".

With regard to recruitment and employment, here too as in mining, we find a system of advances, penal contracts (Employers and Workmen Disputes, Act X of 1860) and layers of middlemen. "Extra-economic links bound workers to *muccadams* (gang-leaders - DS) and *muccadams* to sub-contractors. It was these links rather than legal sanctions that best enforced the provision of labour power in repayment of the advance. It was a

compliance the British learned, best extracted by Indians.”²⁴ As in coal mining, rail construction engendered a fluctuating but evolving pattern of employment, with an ‘unstable’ and seasonal segment of workers drawn from the immediate hinterland, along with a detached and more stable segment of circulating wage labour. These were dependent upon the enterprise, and therefore mobile. Unskilled labour formed between 50% to 85% of employment at any given site, and more than half this number could be comprised of women and children. The overwhelming proportion of these workers belonged to ‘low’ caste and tribal communities.²⁵

Tradition as Regulator Given the contemporary valorisation of ‘community’, both in political discourse and the academe, it is noteworthy that the colonial system was quite clear in its understanding of identity. The typecasting of Indians for specific employments began very early. The first surveys of Indians’ habits and physique were carried out in the army after 1830. These included ethnographic classifications. Bayly cites an English officers' memorandum during the Nepal war (1814-16), in which it was observed "that the Pathans were best in attack, Mewatis in retreat, Jats as sharpshooters, and the standard Bengal infantry for slow unspectacular advances".²⁶ Once labouring activity became as important as conquest, this kind of categorisation extended to the mines, plantations and construction sites as well. The railway engineer Victor Bayly referred to Nuias as a thieving criminal tribe “with a hereditary aptitude for earthwork”.²⁷

The stereotypes employed by mining technocrats were meant to inform managers' employment decisions. Some of their observations were published in the reports of the Chief Inspector of Mines in India, and in the *Transactions of the Mining and Geological Institute*, a technical journal whose expertise often extended to the sociology of labour. An article written in 1913 began with the assertion that "there are probably no other coalfields in the world where the habits, peculiarities and superstitions of the labour force have more to be studied than in ours", and uses terms such as ‘semi-savage’ and ‘low-class Hindu gipsy tribe’. Zoological language was employed, thus: "the Koras are a species of the Santhal or Kol genus"; along with detailed information on character and sentiment Thus, *Lodhs* were "not so stupid as the Bengal working races, and great care

should be taken to see that they receive their just dues". *Beldar* women were "great carriers being accustomed to this work from infancy". *Santhals*, *Kols*, *Koras* and *Dhangars* were the "most superstitious races in the coalfields", etc. The adjustment to sentiment could extend to the architecture of accommodation. The author of a housing plan designed a scheme in 1918 which kept "the different castes separate from one another". In accord with his observation that "Santhals and Koras (have) an aversion to living in a line of attached huts", his diagram included discrete dwellings for *Santhals*, in contrast to the unbroken line of barracks for the *Bauries*, *Kahars* and *Gopes*.²⁸

Typcasting could be reversed, depending on the location and kind of labour. Thus, if colliery managers considered Adivasis unreliable, even though Santhals were valued as good coal cutters, their counterparts in the Assam tea gardens found 'aboriginals' to be diligent and 'up-country' workers slack and prone to desert. It is apparent that workers exercised preferences too. Those from the larger tribal groups such as the *Oraon*, *Mundas* and *Hos* preferred the tea gardens to the collieries, *Santhals* being the only prominent tribal group found in both places. Mohapatra has examined the adaptability of the workforce to differing work processes.²⁹ However, the complex reasons why communities made (or were obliged to make) certain employment-related decisions was often reduced by officials and managers to a natural inclination deriving from a singular caste occupation. The fluidity of conventional occupations was something they did not want to understand. In an insightful article on the *Chuhras*, Vijay Prashad argues that "colonial sociology reduced menial castes to a singular 'traditional' occupation". This 'untouchable' caste had a host of agrarian occupations including reaping, winnowing and grass-weaving. They also worked as midwives, potters, leather workers, messengers, musicians and magicians. From all these ones was chosen, in a manner endemic to colonial ethnology and census enumerations. *Chuhras* were cast for the role of municipality sweepers, as this was "their traditional occupation". In a violent recasting of earlier forms of labour, "the colonial regime thereby *produced* Indian tradition"³⁰

The solicitude regarding traditional practices and occupations had a function over and above the comfort of simplistic codification. The colonial economy benefited from a certain demography of employment. Sub-contracted recruitment and management

based on kinship ties, caste and family labour were its *modus operandi* and obviated the need for close supervision, besides re-inforcing local economic power structures. Such practices were especially useful in relatively under-mechanised occupations, and the kinds of work which in nineteenth-century Britain were performed by the Irish navy. The scheduling of caste-roles in terms of singular occupations was useful to those who managed informal labour from a distance.³¹ While apparently attentive to the 'idiosyncrasies' of Indian labourers, they derecognised the relative fluidity of caste occupations by giving it a fixity according to their own convenience. Simultaneously they denied the 'menial' castes the opportunities of breaking the caste/class barrier. Despite the occasional genuflection to the cause of 'civilisation' it was preferable that work continue to be performed within the parameters of assumed conventional identities, that were now re-inforced by the jobs being assigned to the 'low' castes in the colonial system. This is why a mine manager in 1894 endorsed the *hereditary* immobility of his workforce:

A child of 8 years is fit to work... little girls and little boys should go into the mines early and become accustomed to carrying coals... it is questionable whether children should be educated... they would not, afterwards work as coal-cutters, but try to get other work... those who can read and write will never cut coal; on the other hand, they take a most important attitude, and demand respect from everybody...³²

Modern Times

What is the situation today? A few observations about contemporary casual labour markets (CLMs); agrarian labourers, and stone and quarry workers cast glaring light upon the "historical and moral element" in the price of labour-power. These open spaces where workers and artisans wait to be engaged by prospective employers on a daily basis have become a commonplace in most urban centres. They are one of the forms of appearance of the 'unorganised sector'. A decade-old case study (henceforth *SFCL*) of 31 CLMs in six districts of south and central Gujarat gathered information from a thousand selected female workers, who comprise about 10 to 15% of the labour force present. ³³ The authors maintain that "casual labour defies all norms of objective assessment and

scientific evaluation”, is marked by high turnover, and an absence of any stable norms of recruitment, dismissal, remuneration, work-intensity, and “epitomise the most extreme form of workers subordination and dependency”, occupying the “lowest position in the class of wage earners”. Although primordial ties of kinship, origin, caste etc operate in both directions, as a means of obtaining work, and of retaining control over workers, the ambience of the CLM is such that “even patron-client relations as they are operative in traditional employment, are not allowed to permeate the CLM” (*SFCL* p. 1).

Of 25 CLM's for which historical information was available, nearly half had functioned for at least twenty years, and three each for thirty and fifty years. One CLM in Ahmedabad city has existed for seventy years. The CLMs are frequented by numbers of petty contractors or *mukaddams*, many of whom have sprung from the ranks of the workers, and who in turn are sub-contracting for the large-scale employers of labour (*SFCL* pp 37-40). The workers gather in numbers ranging from less than a thousand to four or five thousand, with seasonal variations in attendance - their numbers fall off during the monsoon rains (*SFCL* p 41-44). They perform (in the main) tasks related to masonry, carpentry, household maintenance, plumbing, drainage, electrical and sanitary work, brick making, road construction. Depending on the location of the CLM, there might be many who seek work on the fields of rich peasants, or who can perform simple manual labour. (*SFCL*, Table 2.8).

Socio-cultural oppression exacerbates the exploitation of women workers, whose general status is characterised by invisibility and insensitivity on the part of policy makers and employers. Their marginalisation in the economy as a whole is exemplified by their gradual exclusion over the past five decades from organised employment in mining, jute, textiles and manufacturing. Thus, rationalisation, mechanisation and automation have tended to function as a means to exclude women employees. (*SFCL*, pp 3-5). Female and child labour constitute around 30% and 10% of the CLMs, a marked change over three decades, for they were not present in earlier years. Children are occupied mainly as helpers. (*SFCL*, p 41). In caste terms, the so-called low-caste SC-STs predominate, with 85.8%, and women outnumber men among tribal workers. (*SFCL*, pp 51, 218-19). Women workers have long working hours, being doubly burdened by

domestic chores over and above the need to earn a wage. They are also subject to sexual harassment by employers and contractors. Over 35% lived in temporary shelters or on the footpath; 75% had no access to latrines and had to use open spaces for toilets (*SFCL*, p 228-9). 90% had an average monthly income of Rs 300/- or less (p 227); and 74% held no land in their native villages (*SFCL*, p 222).

The above data show that mediated employment, absence of publicly determined norms, the invisible nature of terms and conditions of work persist, and seem to be gripping larger numbers of workers than before. It is interesting that the so-called low-caste workers predominate among the CLMs, and employers expect these persons to put up with degraded forms of life and remuneration. The author's observation that even traditional patron-client relations are not allowed to operate in the CLMs, makes for an interesting reflection viz., that convention and 'tradition' are deployed more for negative purposes (intensifying exploitation), rather than for social development etc., (negative "social capital" once more?). It is also obvious that gender and child-oppression form a crucial part of the exploitative apparatus of casual/informal labour.

A glance at mining in a different time and place might give us further food for thought. A century after the English coal manager cited above discovered the necessity for low-caste children to get used to working the pits, his Indian descendants keep aloft the flag of caste-based employment. The Mine Labour Protection Campaign (Jaipur 1994) revealed that over 1.8 million persons work the mines and quarries in Rajasthan for obtaining 65 minerals including lead, tungsten, phosphorite, marble, sandstone and granite. 15% of the workers are children, 22,000 of whom are between the ages of ten and twelve, and they earn Rs 10-12 per day (about 30 cents at the then prevailing exchange rates). 37% are women, earning Rs 18-22 per day. Wage discrimination is based on gender as well as caste. Between 80 to 90 percent of the workforce is low-caste or tribal, and official records underestimate the size of the workforce by two-thirds. Most of these persons have no official existence, since it suits the power structure to avoid regulating the extraction process. A vast amount of revenue is thus denied the state due to its own studied negligence. Over 95% of the two thousand-odd units' function in a primitive way without modern safety methods. Between January and June

of 1994, 130 workers died in accidents, and 175 suffered injuries. None of them were compensated by employer or the State, and only ten cases were registered by the police.³⁴

Since 1994 the provincial government has further 'liberalised' leasing rules in terms of size, period and encroachments on common grazing lands.³⁵ A news report entitled Rampant Illegal Mining in Rajasthan, in the *Times of India* dated February 18, 2002, states that accident-related deaths have increased, with one death per day in the Makrana marble quarries alone. An investigation committee found an endemic occurrence of respiratory disease, irregular working hours, and the total absence of attendance registers, minimum wages, overtime payments, safety or leave rules, maternity or pension benefits, insurance, or health schemes. Workers are not even issued pay-slips. Blasting operations are crude and dangerous, and not subject to regulation. Needless to say, there are no unions.

Two more examples of the calibrated indifference towards unregulated labour in independent India may suffice to make the point. One is contained in Breman's seminal work on migrant workers. In it he examines the report of a committee set up by the Gujarat provincial government in 1964 to make recommendations on minimum wages for agricultural workers. One of its stated motives was to counter "the forces of extremism". After travelling 12,000 kilometres and discovering that 80 percent of the budgets of agricultural labourers was spent on food, the committee concluded that determining a minimum cost of living was impossible due to the variations in quality and quantity of essential goods, in agrarian seasons, and in the paying capacity of the farmers who employed labour. A slight rise in wages was recommended, with gender differentials intact. A drastic rise in the price of labour, the committee felt, would lead to anti-social behaviour among rural employers, and undermine the incentive for agrarian workers to leave agriculture.³⁶

The other example is that of the struggle of the Faridabad stone quarry workers union (led by Swami Agnivesh during the 1980's), for better wages and working conditions. Despite orders in its favour by the Supreme Court of India, the courts own

commissioner reported in 1989 that the “mine lessees and crusher owners have failed to implement” its directives, and this fact was “reflected in the sub-human conditions in which the quarry/crusher workers of Faridabad find themselves till date”³⁷ These conditions include the absence of safety equipment for protection from dust emissions, and of water and toilet facilities. All that changed after years of struggle was a drastic reduction in the number of workers. “The contractors had everything but law on their side, and law is simply deficient in the face of that degree of power”. Despite their minor victories, workers invariably returned to work without any substantial results. “Severe poverty in the context of a state government favourable to large contractors defeated them. In this and other encounters the Haryana police was not neutral but rather an obedient servant of the contractors’ interests”. The facts starkly reflect “the awful neglect of legal duties on the part of officials for a number of reasons, including sheer moral indifference.”³⁸

The boundary between history and the present dissolves in the realm of production relations in the informal sector. Kancha Ilaiah has pointed out how the upbringing and social experience of the ‘low’ castes trains them in modes of deference and patterns of labour.³⁹ Harris-White’s researches show how the “extra-contractual” obligations of indebted poor peasants to sell all their rice-produce to loan-giving merchants is violently enforced by privately maintained goons. The experience of violently enforced obligations is a widespread phenomenon for Indian agrarian labourers.⁴⁰ Most of the persons employed in the unorganised sector of employment are denied education and a knowledge of their rights as citizens and workers.

Even a cursory study of casual labour and informality in India provides insights for an understanding of the most endemic of Indian malaises, that everyone complains of but few can comprehend. The relentless habit of subtracting from wages and deploying conventional prejudice for holding down those of ‘low’ social status, is, in my opinion, the stable foundation of the Indian economy and polity. Here is ‘corruption’ in action, performing its most vital function, blending caste and capital, tradition and modernity, economic coercion and violence in a system of untrammelled plunder. State officials are aware of this, and possess the power to enact and enforce regulations. That they choose

not to do so implies that the problem goes much deeper. As we have noted above, it is political authority “that gives legitimacy and permanence to systems of social relations”.⁴¹

The cusp of instability: democracy vs coercion in India

With the onset of the Great War in 1914 and the Russian Revolution in 1917, the colonial bureaucracy evinced tremors of concern for the plight of labour. By that time an emergent nationalist movement had already begun engaging with the issue. The interaction between workers and nationalism is a complex question which we can only refer to in passing - however, workers did indeed have expectations that Independence would enhance their chances for a better life. The year 1938 witnessed what was the biggest ever labour upsurge in colonial India, and it is significant that this took place in the immediate aftermath of the installation of the first ever Congress led nationalist ministries in seven provinces. This involved hundreds of thousands of workers in what is now known as the unorganised sector.⁴² However, there was to be a gap between promise and fulfilment.

Liberal democratic ideologies are fixated by the historical horizon of capitalism. They do not recognise the historical determinacy of class and capital, nor the inherent tensions borne by democratic ideology functioning within a class society. Capital is taken as a given structure, to question which would be utopian. The only type of injustice that this temperament can address seriously is the one engendered by the pre-bourgeois tradition of status, in the Indian context, that of caste. (This has recently been extended to ethnic identity as modernity’s acceptable form of conflict, but that is another story). Nationalist reformism in India took the abolition of caste inequity as an earnest of its commitment to a democratic society. But it tended to ignore the structural contradictions of the Indian economy and polity. Its weak point has been precisely this, that caste and class are inextricably linked in India, and a serious effort to remove "social backwardness" will lead inexorably towards a critique of capitalism. Mediate forms of labour relations are also implicated in sustaining entire sub-groups of persons and vested interests that live on subtractions from workers’ wages. This culture of informality and under-regulation is the substrate of Indian capitalism and has

engendered the systemic stabilisation of ‘corruption’, about which I have written elsewhere.⁴³ I suggest that the abolition of caste-based discrimination is an “unassimilable demand” in India - the ruling castes/classes cannot and will not dissolve the informality and “negative social capital” that provides such an important lubricant for the prevailing economy. The abolition of such discrimination would entail a radical (and to the ruling classes, unthinkable) transformation in existing production relations. This is why significant parts of the Indian political and economic elite are strongly inclined towards authoritarian forms of governance, whose success would imply a dismantlement of citizenship and the possibilities of self-organisation on the part of millions of casual labourers.

This hypothesis may be examined in light of the fact that the unregulated status of informal labour has been exacerbated by recent international developments. The more India develops capitalist institutions and the greater its economic integration into the world economy, the more does its economy rely on extra-economic coercion, the demolition of democratic institutions, the casualisation of the labour force. As a prominent critic of the new order of globalisation states,

Nor is globalisation an end-state towards which all economies are converging. A universal state of equal integration in worldwide economic activity is precisely what globalisation *is not*. On the contrary the increased integration of economic activity throughout the world accentuates uneven development between different countries... Though one consequence of a more globalised economy is to overturn or weaken some hierarchical economic relationships between states. At the same time, it strengthens some existing hierarchical relations and creates new ones...⁴⁴

In the face of the growing worldwide unrest over iniquitous trading arrangements, the discourse of democracy and human rights (once the platform for Western Cold War rhetoric), will encounter its most severe challenges. It remains to be seen what road “the marginals” take in the newly forming resistance. That they will return is a foregone conclusion.

¹ This essay was formulated as an argument for the necessity of studying the question of marginality and informality in labour relations, and the first draft was presented to the conference on The Return of the Marginals, at the El Colegio de Mexico, June 27-28, 2001. The observations on coal mining are taken from my book, *The Politics of Labour Under Late Colonialism: Workers, Unions and the State in Chota Nagpur, 1928-1939*, Manohar, Delhi, 1995. Also included are extracts and arguments from a paper entitled The Currency of Sentiment: An Essay on Informal Accumulation in Colonial India: delivered to the seminar on Corruption at the Davis Center for Historical Studies, Princeton, on April.23, 1999. In the following pages, *N.A.I* is the abbreviation for the National Archives of India, *G.O.I.* for the Government of India, *R.C.L.*, for the Royal Commission on Labour (1931); *L.I.C.* for the Labour Investigation Committee (1946), *B.L.E.C.*, for the Bihar Labour Enquiry Committee (1940, and *NCL* for the National Commission on Labour (1967), *T.M.G.I.*, stands for Transactions of the Mining and Geological Institute of India

² See Barbara Harris-White and Nandini Gooptu, Mapping India's World of Unorganised Labour, in *Working Classes, Global Realities: Socialist Register, 2001*; p 89; and Rohini Hensman, Organising Against the Odds, Women in India's Informal Sector, in the same volume, p. 249.

³ Ben Fine, Social Capital and the Realm of the Intellect: *Economic and Political Weekly*, vol 36 no 9, March 3, 2001, p 742

⁴ Alain Lipietz, 'New Tendencies in the International Division of Labour: regimes of accumulation and modes of regulation', in A. J Scott, & M Storper, (ed), *Production. Work, Territory: The geographical anatomy of industrial capitalism*, Allen & Unwin, Boston, 1986.

⁵ Istvan Meszaros, in *Beyond Capital*, Monthly Review Press, New York, 1995; p.58

⁶ See Kaushik Ghosh, Labor and Ethnicity: the Question of the Adivasi, paper delivered to the Second Conference of the AILH, March 2000.

⁷ Karl Marx, *Capital*, London, 1976, vol 1, p 275.

⁸ Alain Lipietz, Reflections on a Tale, article in *Studies in Political Economy*, no 26, Summer 1988; Ontario, p. 19.

⁹ *NCL* 1967, p 419, Table 29.1

¹⁰. See Henner Papendieck, British Managing Agencies in the Indian Coalfield, in Rothermund and Wadhwa, *Zamindars, Mines, and Peasants*, Delhi, 1978, pp. 190-192.

¹¹. See L. B. Burrows, *Report of the Coal Mining Committee*, 1937, Chapter 4.

¹². A. B. Ghosh, *Coal Industry in India*, Delhi, 1978, pp. 278-280.

¹³ B.R. Seth, *Labour in the Indian Coal Industry*, Bombay, 1940, p. 8; & *RCL*, vol 4, pt 1, p. 242.

¹⁴. *RCL*. vol 4, part 1, p. 242.

¹⁵ An account of the structure of the workforce in southern Bihar (now Jharkhand) is available in chapter 1 of my *Politics of Labour*

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- ¹⁶ RCL. vol 4 part 1, pp. 220-1, 242; and BLEC, vol. 4-C, p. 266.
- ¹⁷ BLEC, vol 1, pp. 188-9.
- ¹⁸ T.M.G.I., vol 11 (1916), pub 1917; pt 2: Discussion on Glen George's paper: "Development of Deep Coal Areas in Bengal". T.H. Ward's intervention, pp 130-131.
- ¹⁹ See Rana Behal and Prabhu Prasad Mohapatra, Tea and Money versus Human Life: the Rise and Fall of the Indenture System in then Assam Tea Plantations 1840-1908; *Occasional Papers on History and Society*, Nehru Memorial Museum and Library, New Delhi, May 1992
- ²⁰ A.B. Ghosh, *Coal Industry in India*, Delhi, 1978, pp. 297-298
- ²¹ For details about industrial structure and and work-organization in the coalfields, see chapters 1 and 5 of *Politics of Labour*
- ²² Ian Kerr, *Building the Railways of the Raj: 1850 - 1900*; O.U.P. Delhi, 1995
- ²³ Kerr, *Building...* p. 38
- ²⁴ Kerr, *Building...* p. 53
- ²⁵ See Kerr, *Building...* chapter 4, 'Obtaining Labour'.
- ²⁶ C.A. Bayly, *Empire and Information*, pp. 160-161.
- ²⁷ cited by Kerr, *Building...* p. 112
- ²⁸ TMGI, vol 12, 1918, pp 79-89, J.H. Evans, Housing of labour and sanitation at mines in India
- ²⁹ See Prabhu Prasad Mohapatra, Coolies and Colliers: A Study of the Agrarian Context of Labour Migration from Chota Nagpur, 1880-1920; *Studies in History*, vol 1 (2), 1985, pp. 261-266.
- ³⁰ Vijay Prashad, *Chuhras and Colonialism*, paper delivered at the International Conference on The World of Indian Labour Amsterdam, December 1997.
- ³¹ Joan Scott's propositions on gender provide comparative insights into caste: "gender is a constitutive element of social relationships based on perceived differences between the sexes, and... a primary way of signifying relationships of power... gender is constructed through kinship, but not exclusively, it is constructed as well in the economy and the polity." See Gender, A Useful Category of Historical Analysis, in Joan Scott, (ed), *Feminism and History*, O.U.P., Oxford, 1996, pp 167-68. It is interesting to read these sentences with 'caste' substituted for 'gender', and 'ethnic groups' for 'the sexes'.
- ³² Communication from Walter Saise in *Report of the Inspector of Mines in India*, 1894, pp 51-53.
- ³³ *Survival and Struggles of Female Casual Labourers in Gujarat: A Study of Female Workers in Casual Labour Markets* - S.P. Punalekar and Arjun Patel, Centre for Social Studies, Surat, 1990
- ³⁴ S.M. Mohnot, Ben A. Falk, & L.C. Tyagi, *Mines, Mine Workers' Problems and their Remedies*, Report of the Conference of the Mine Labour Protection Campaign, Jaipur, pub. Jodhpur, 1995; p 7.
- ³⁵ Sohini Sengupta, *Mining: Impact on the Livelihood of People: Emerging Trends and Oxfam Responses*. Oxfam (India) Trust, New Delhi, 1997. p. 39.
- ³⁶ Jan Breman *Footloose Labour: Working in India's Informal Economy*, CUP, Cambridge, 1996, p. 187-188.

³⁷ Quoted in Oliver Mendelsohn and Marika Vicziany, *The Untouchables: subordination, poverty and the state in modern India*; CUP, New Delhi edition, 2000, p. 200

³⁸ *ibid*, p 201, 200.

³⁹ Kancha Ilaiah, *Why I am not a Hindu: A Sudra Critique of Hindutva*, Samya, Calcutta, 1996. See Ch. 1, Childhood Formations, and Ch. 3, Re-organisation of Power Relations.

⁴⁰ Barbara Harris-White, Primary Accumulation, Corruption, and Development Policy, in *Review of Development and Change*, January-June 1996; p. 93.

⁴¹ Alain Lipietz, Reflections on a Tale, p. 19.

⁴² More information on this may be read in *Politics of Labour*, Chapter 8, 1938- The Labour Movement on the Offensive

⁴³ The Currency of Sentiment - cf introductory note above.

⁴⁴ John Gray, *False Dawn, The Delusions of Global Capitalism*, New York, 1998, p. 55